

# **Exhibit 2**

**DECLARATION OF GARY KING**

GARY KING, pursuant to 28 U.S.C. §1746, declares as follows:

1. I am a member of the Bar of the State of New Mexico and am the duly elected Attorney General for the State of New Mexico. I respectfully submit this declaration in support of the application of the Public Employees Retirement Association of New Mexico and the New Mexico Educational Retirement Board (collectively the "New Mexico Funds") to be appointed Co-Lead Plaintiff in this Action pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA") I am familiar with the facts set forth herein.
2. The Public Employees Retirement Association of New Mexico ("PERA") is a \$10 billion public pension fund with over 66,000 active members and 22,000 retired members and beneficiaries. The New Mexico Educational Retirement Board ("ERB") is a \$8.5 billion public pension fund with 68,000 active members and 28,000 retired members and beneficiaries. The PERA and ERB are each state agencies organized under the constitution and statutes of State of New Mexico for the benefit of the citizens of New Mexico.
3. As the duly elected Attorney General for the State of New Mexico I am statutorily authorized to provide counsel to the State's agencies, including both of the New Mexico Funds. I am the chief legal officer of the state of New Mexico, and by state law have the discretion to initiate or participate in litigation on behalf of the state and its agencies. Directly and through designated staff members in my office I provide counsel to both the PERA and ERB.

Specifically, I have assigned Assistant Attorney General Zachary Shandler to serve as counsel to both the PERA and ERB on securities fraud matters.

4. As the duly elected Attorney General I am also authorized to enter into contracts with outside counsel to represent the State of New Mexico in matters that I deem it necessary to have the assistance of counsel with particular experience and expertise. As such, I have retained Cauley Bowman Carney & Williams PLLC ("Cauley Bowman") to represent the New Mexico Funds in this Action against Sterling Financial Corporation ("Sterling") for violations of securities laws. As the duly elected Attorney General, I or my staff as I direct will actively monitor Cauley Bowman in this instant Action. Specifically, I have assigned Deputy Attorney General and Director of Litigation, David Thomson, and Assistant Attorney General Zachary Shandler to serve as liaison with Cauley Bowman in this Action against Sterling.

5. Through my office the New Mexico Funds will remain fully informed at all times concerning the status and progress of this Action, the strengths and weaknesses of this Action, and the prospects for settlement. As Co-Lead Plaintiff, the New Mexico Funds will consult with class counsel in advance with respect to each major litigation event, such as important motions, settlement discussions, trial and trial preparation, and shall have the authority and responsibility to direct counsel with respect to each of these events after receiving the benefit of counsel's advice. To the extent necessary, either myself, Deputy Attorney General David Thomson, Assistant Attorney General Zachary Shandler or others on my staff that I designate will attend major hearings and trial.

6. As Co-Lead Plaintiff in this Action, the New Mexico Funds understand that it owes a fiduciary duty to all members of the proposed class to provide fair and adequate representation

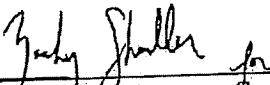
and to work diligently with class counsel to maximize the recovery for the Class.

7. I respectfully request that the Court approve the New Mexico Funds' choice of counsel to represent the class in this Action.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 24th day of

July 2007.

Dated: July 24, 2007.

  
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Gary King, Attorney General for the  
State of New Mexico  
By: Assistant Attorney General Zachary Shandler